

Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
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Commonwealth of Kentucky
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June 2, 2008

Mr. James A. Carr, Chairman
Madison County Utility District
PO Box 670
Richmond, KY 40476-0670

Honorable Chuck Hardin
Robbins Law Office
214 N. 3rd Street
Richmond, KY 40475

Mr. Kerry S. Odle, P.E.
CMW, Inc.
PO Box 831
138 N. Keeneland Dr., Suite E
Richmond, KY 40475

Re: Case No. 2008-00182, Filing Deficiencies

Gentlemen:

The Commission staff has reviewed your application in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, for the reasons set forth below. These items are either required to be filed with the application or to be referenced in the application if they are already on file in another case.

1. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(1)(b)(9):
Statement that notice given, see subsections (3) and (4) and 807 KAR, Section 10 with copy.

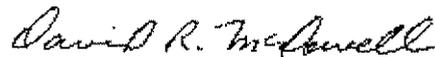
2. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(2):
If gross annual revenues exceed \$1,000,000 written notice of intent filed at least four (4) weeks prior to application. Notice shall state whether the application will be supported by historical or a fully forecasted test period.
3. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(4):
If copy of public notice included, did it meet requirements?
4. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(n):
Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case, refer to that case's number and style.
5. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(7)(c):
 5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;
 6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;
 7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and
 8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements;
6. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(b)&(c):
If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony.
7. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(g):
Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class.
8. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(h):
Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules
9. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(i):
Reconciliation of rate base and capital used to determine revenue requirements.
10. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(j):
Current chart of accounts if more detailed than the Uniform System of Accounts.

11. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(o):
List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.
12. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(6)(t):
If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:
 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment;
 2. Explanation of how allocator for the test period was determined; and
 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable.
13. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(7)(a):
Detailed income statement and balance sheet reflecting impact of all proposed adjustments.
14. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(7)(b):
Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.
15. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(7)(c):
 4. Amount contained in construction work in progress at end of test period.
16. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(7)(d):
Operating budget for each month of the period encompassing the pro forma adjustments
17. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(7)(e):
Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustment with complete details and supporting work papers
18. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(3)(b):
Present and proposed rates for each customer class to which change would apply.
19. Filing deficiencies pursuant to 807 KAR 5:001, Section 10(3)(c):
Effect upon average bill for each customer class to which change will apply
20. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(a):
Description of applicant's property
Statement of original cost of applicant's property and the cost to the applicant if different

21. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(b):
If Bonds or Notes or Other Indebtedness is proposed:
 - Description of the amount(s)
 - Full description of all terms
 - Interest rates(s)
 - Whether the debt is to be secured and if so a description of how it's secured
22. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(c):
Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)
23. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(d):
If proceeds are for property acquisition, give a full description thereof. Supply any contracts.
24. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(2)(b):
Copies of all trust deeds or mortgages; if previously filed state case number.
25. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(2)(c)
Maps and plans of property
Detailed estimates by USOA account number
26. Filing deficiencies pursuant to 807 KAR 5:001, Section 6(1) through Section 6(9):
All information should cover the period ending not more than 90 days prior to date of which application was filed.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiency voids that proposed effective date. When you file the required information to correct the deficiencies, you may re-file your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file an original and ten copies of this information within 10 days of the date of this letter. If you need further information, please contact James Rice at (502) 564-3940, Extension 411 or Mark Frost at (502) 564-3940, Extension 274.

Sincerely,



David R. McDowell
Division of Filings